

## Message Text

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ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 131420Z NOV 73

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 4537

INFO AMCONSUL DHAHRAN

AMEMBASSY KUWAIT

AMEMBASSY LONDON

S E C R E T JIDDA 5030

EXDIS

E.O. 11652: GDS

TAGS: KU, ENRG, SA

SUBJECT: ARAMCO CONCERNS ABOUT KUWAIT

1. AMERICAN MEMBERS OF ARAMCO BOARD, IN TALKS WITH AMBASSADOR NOVEMBER 10-11, EXPRESSED CONCERN AT COURSE OF NEGOTIATIONS BETWEEN KUWAIT OIL COMPANY AND GOK. THEY SAID GULF FEARED "IRAQI FORMULA" FOR KOC, I.E., A PARTIAL NATIONALIZATION OF ONLY THE AMERICAN (GULF'S) PORTION OF THE KOC, WITH BRITISH PETROLEUM LEFT INTACT.

2. THEY SAID THE MAJOR PART OF GULF'S FOREIGN INTERESTS ARE TIED UP IN KOC AND GULF CANNOT AFFORD TO LOSE KUWAIT. HENCE, IF PRESSURE GETS TOO GREAT OR IF THREAT OF NATIONALIZATION BECOMES TOO REAL, GULF WILL YIELD AND SETTLE WITH GOK ON ANY TERMS THE KUWAITIS DEMAND.

3. ARAMCO FEARS THAT ANOTHER DISASTEROUS AGREEMENT IN THE GULF WILL MAKE IT IMPOSSIBLE TO MAINTAIN THE PARTICIPATION SCHEDULE WORKED OUT FOR SAUDI ARABIA.

4. THE COMPANIES ASKED THAT WE URGE GULF TO STAND FIRM AND THAT WE URGE THE GOK IN THE LIGHT OF OUR COMMON INTERESTS (UNDEFINED) NOT TO PUSH FOR AN  
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"IMPOSSIBLE" CONCESSIONS FROM T E KOC. THEY ALSO ASKED AMBASSADOR TO ASK SAUDIS TO ASK THE KUWAI IS TO BE MORE MODERATE.

5. AMBASSADOR SAID HE WOULD PASS COMPANY VIEWS ON TO EMBASSY KUWAIT, THE SAUDIS AND THE DEPARTMENT. HE ASKED THE COMPANY REPRESENTATIVES FOR THEIR IDEAS ON HOW THE GOAL COULD BE ACCOMPLISHED AND EXACTLY ON WHAT WE OR THE SAUDIS COULD DO IN KUWAIT. THEY HAD NO FURTHER COMMENT.

6. AMBASSADOR ALSO TOLD THEM THAT YAMANI HAD TOLD HIM THAT "NEW FORMULA" FOR COMPANY-GOVERNMENT RELATIONSHIP HAD TO BE DEvised; THAT HE (YAMANI) DIDN'T KNOW HOW THIS COULD BE DONE BUT THAT COMPANIES SHOULD BE GIVING MATTER THOUGHT. AMBASSADOR SUGGESTED THAT COMPANIES SHOULD INDEED BE GIVING MATTER URGENT CONSIDERATION.

7. COMPANY REACTION WAS EXPRESSED BY DECRANE OF TEXACO: "WE'VE HEARD THIS BEFORE. WE CALL IT THE YAMANI 'GOLDEN OPPORTUNITY' SPEECH."

8. AMBASSADOR SAID HE WOULD WELCOME DISCUSSING THE SUBJECT WITH THEM IN GREATER DETAIL AT ANY TIME. THEY WERE NOT INTERESTED.

9. COMPANIES, IN YET ANOTHER DEMONSTRATION OF THEIR BRONTOSAURIAN THOUGHT PROCESSES, HAVE SHOWN NO CLEAR INTENTION OF TRYING TO SEIZE THIS "GOLDEN OPPORTUNITY." THEY WILL WAIT UNTIL YAMANI COMES UP WITH AN IDEA OF HIS OWN, WILL CRY THAT IT IS INTOLERABLE, AND WILL INSIST THAT THEY WILL NEVER ACCEPT IT. AND THEN, AFTER THREE WEEKS THEY WILL.  
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